

Encl. #1 to
COR-0121
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11 July 1958

Itek Corporation
700 Commonwealth Avenue
Boston 15, Massachusetts

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Attention:

Subject: Itek Letter Subcontract dated 5 May 1958

Enclosures:

- I Three copies of Statement of Work dated 7 July 1958
- II Three copies of Cost Breakdowns
- III Three copies of Specification No. SME-DB-1 dated 7 July 1958
- IV Three copies of Specification No. SME-DC-3 dated 7 July 1958
- V Three copies of Specification No. SME-DM-24 dated 7 July 1958
- VI Three copies of Estimate of Monthly Funding Requirements

Gentlemen:

We are pleased to submit herewith our firm cost and delivery proposal to accomplish the work authorized by the subject Letter Subcontract. This proposal supersedes our previous proposal of 26 May 1958.

Our estimated cost and fixed fee to accomplish the work required by Items 1, 2, 3, 5, 8 and 9 of Exhibit 1 of the Statement of Work (Enclosure I) amounts to \$2,058,694.89, the 1st. This firm cost estimate (Estimate No. I) is based on the following understandings and conditions:

1. Itek shall furnish to Fairchild at no charge the items listed in Part I(D) of the Statement of Work.
2. It is our understanding that the dual camera drive system will consist of the required speed servo system and a governed motor drive system preset for the nominal speed only.

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3. The costs for the construction, maintenance and purchase of items relative to the security requirements for this program are included.
4. A waiver is required on the performance of the White Noise Vibration Test as outlined in Paragraph 3.2.2.5.4 of General Environmental Specification 9103-L-2196. This is required as the vibration test outlined in Paragraph 3.2.2.5.3 is considered the more severe test and, therefore, the White Noise Vibration Test is not required.
5. It is the intent of Fairchild to complete all qualification tests prior to delivery of the first two (2) equipments. However, if due to the tight time table, all tests cannot be completed before the delivery date, Fairchild will complete only those environmental tests which are deemed necessary for flight safety. These tests shall be: explosion proof, vibration, shock, acceleration and drop test. The remaining tests, that is temperature - altitude - humidity, will be completed at the earliest possible date after delivery. It is assumed that a conditional delivery can be made on the first two (2) cameras based on this philosophy.
6. This estimate includes the cost of the non-deliverable items included in Part III of the Statement of Work, with the exception of the items in Paragraphs (3) and (6) of said Part III, the costs for which are included in Estimate No. II.

Our estimated cost and fee to accomplish the work described in Item 4 of Exhibit 1 and Part III, Paragraphs (3) and (6) amounts to \$287,381.41, the lot. This firm cost estimate (Estimate No. II) is based on the following understandings and conditions:

1. Atek approval for Fairchild to purchase a high altitude pump to be used in conjunction with the existing environmental changes at Fairchild for the environmental evaluation testing of cameras and components.
2. The costs for the construction of an enclosed tower on the roof of the Landis plant to perform the banding tests on the camera as required in Paragraph 4.1 of Specification SNE-DB-1 is included in this estimate. The cost for the necessary power and means of transporting and mounting the cameras in the tower is also included.

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Our budgetary estimate for Item 6 of the Statement of Work amounts to approximately \$310,000, and provides for the liaison and technical support and services at two separate facilities as may be required for the duration of the program. Since definitive information as to the actual technical support requirements is not yet available, this estimate is submitted as budgetary.

Our budgetary estimate covering Item 7 of the Statement of Work amounts to approximately \$93,000. When a definitive list of spare parts requirements is available, a firm cost estimate for this item will be furnished.

All of the above estimates are submitted subject to the following additional understandings and conditions:

1. Delivery of equipment will be F.O.B. our plant, Syosset, New York, and packaging will be in accordance with standard commercial domestic practice.
2. To permit compliance with the delivery schedule, a multi-shift, 60 hour per week per shift will be required with some additional spot overtime. The contract should provide for the multi-shift and overtime operation.
3. As further insurance for delivery schedule compliance, sole source procurement of some materials and components will be necessary. Wherever possible, competitive quotes will be obtained. In cases where sole source procurement is necessary, vendors and sources with whom we have had previous satisfactory experience will be utilized, where practicable.
4. This proposal is submitted on the basis of a Definitive CPFF Contract by 15 August 1958.
5. Costs and delivery are contingent on the receipt of Itek and Government furnished material and equipment in accordance with the schedule for these items included in the Statement of Work.

Enclosure VI includes our estimated funding requirements to cover expenditures and commitments for the firm items only. In this regard, additional funding over that authorized under the Letter Subcontract probably will be required before definitization.

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The increase in estimated cost between this proposal and our previous one is the result of many factors, but is primarily due to major increases in the scope of the program.

We trust the above meets with your approval. However, if you have any questions, please contact the undersigned.

Very truly yours,

FAIRCHILD CAMERA AND INSTRUMENT CORPORATION
Defense Products Division

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Enclosures

Enclosure VI

11 July 1958

Estimate of Monthly Funding Requirements
(Fire Items Only)

<u>Month</u>	<u>Total Dollars</u>	<u>Accumulation Total</u>
July 1958	\$ 262,760.55	\$ 262,760.55
August 1958	326,104.61	588,865.16
September 1958	410,563.35	999,428.51
October 1958	332,410.44	1,381,838.95
November 1958	274,607.63	1,616,446.58
December 1958	278,955.72	1,792,402.30
January 1959	145,456.73	1,937,859.03
February 1959	103,227.36	2,041,086.39
March 1959	93,343.09	2,134,429.44
April 1959	91,496.93	2,225,926.42
May 1959	68,344.06	2,289,770.48
June 1959	56,305.82	2,346,076.30
 Total	 \$2,346,076.30	 \$2,346,076.30

Enclosure II

Sheet 1 of 2

SYSTEMS MANAGEMENT AND ENGINEERING DEPARTMENT

Sales Inquiry No.

Rev.

Estimate No. 1

Date: 7/11/58

Customer Itel Corp. -

Description: Project - Items 1, 2, 3, 5, 8 & 9 of Exhibit I of Work Statement

Code	Classification	Hours	Rate	Amount	Description	Hours	Rate	Amount
51	Program Chief	2038	3.55	7252 70	Total Engrg. Labor			340,979 36
83	Jr. Research Eng.							
84	Research Eng.							
85	Sr. Research Eng.	950	6.50	6175 00				
180	Program Director							
301	Engineer	7260	3.70	27513 40				
302	Eng. Technician	19696	2.54	50027 84				
303	Engrg. Aide	1040	1.52	1580 80	Overhead @ 120 %			540,175 86
304	Draftsman, Sr.	7920	2.88	22809 60	Mechanical Insp.	2270	2.62	5,947 40
306	Draftsman				Environmental Test	1 30	2.81	5,058 00
	Engineer, Sr.	4296	4.58	19675 68	Optical Tests	1040	2.59	2,693 60
309	Project Engineer	15380	5.40	83148 00	Shop	19200	2.78	53,376 00
311	Design Engineer	6132	4.24	25997 68				
312	Designer	1356	3.60	4881 60	Total			67,075 00
316	Photographer	1040	3.10	3224 00	Overhead @ 190 %			127,442 50
319	Jr. Draftsman				Material			159,000 00
321	Product Designer	708	4.41	3101 08	Sub-Contract Test Lab			5,000 00
322	Jr. Engineer				Security Room			1,658 00
327	Sr. Data Writer							
329	Technical Writer	750	3.11	2332 50	Costs incurred thru 6/30/58			
330	Artist				plus open commitments			84,634 18
331	Research Associate							
332	Jr. Proj. Coord.	16432	1.85	30400 16	Van Dykes			3,000 00
333	Proj. Coord.				Travel			20,000 00
334	Sr. Proj. Coord.				Technical Rep.			
349	Sr. Proj. Engineer	6296	5.23	32928 08				
2	Sr. Engrg. Tech.	4896	3.62	17723 52				
400	Instrument Maker	53300	2.93	155169 00	Packaging			600 00
	Prod. Design Leader	1356	6.10	8271 60				
					Prime Cost			1,557,564 32
					Gen. & Adm. Exp. @ 5%			77,878 25
					Total Cost			1,635,442 57
					Profit & Fee @ 8%			132,835 40
					Sales Price			1,768,277 97

SUB-TOTAL - FWD

SALES PRICE

ENGR. EST.

CHIEF ENGINEER

MGR. OF ENGRG.

Enclosure II

Sheet 2 of 2

SYSTEMS MANAGEMENT AND ENGINEERING DEPARTMENT

Sales Inquiry No. Rev. Estimate No. 2 Date: 7/11/58

Customer Iter Corp

Description: Project - Item 1 of Exhibit I of Work Statement

Code	Classification	Hours	Rate	Amount	Description	Hours	Rate	Amount
51	Program Chief				Total Engrg. Labor			65,516 90
83	Jr. Research Eng.							
84	Research Eng.							
85	Sr. Research Eng.							
180	Program Director							
301	Engineer	2030	3.75	7612 50				
302	Eng. Technician	4200	2.54	10688 00				
303	Engrg. Aide	570	1.32	752 40	Overhead @ 120 %			78,690 28
304	Draftsman, Sr.	2620	2.62	6864 40	Mechanical Insp.	690	2.62	1,807 80
305	Draftsman				Environmental Test			
306	Engineer, Sr.				Optical Tests			
309	Project Engineer	1110	3.40	3774 00	Shop	1500	2.75	5,004 00
311	Design Engineer							
312	Designer				Total			6,811 80
316	Photographer	20	3.10	62 00	Overhead @ 100 %			12,942 42
319	Jr. Draftsman				Material			11,000 00
321	Product Designer				Sub-Contract Test Equip.			7,000 00
322	Jr. Engineer							
327	Sr. Data Writer							
329	Technical Writer	80	3.11	248 80	Cost incurred thru 6/30/58			8,944 60
330	Artist							
331	Research Associate							
332	Jr. Proj. Coord.				Van Dykes			500 00
333	Proj. Coord.				Travel			10,000 00
334	Sr. Proj. Coord.				Technical Rep.			
349	Sr. Proj. Engineer	1030	6.23	6417 90				
400	Sr. Engrg. Tech.	5000	2.93	14650 00	Packaging			50 00
	Instrument Maker							
	Prod. Design Leader							
					Prime Cost			231,386 00
					Gen. & Adm. Exp. @ 15%			34,707 90
					Total Cost			266,093 90
					Profit @ 8 %			21,287 51
					Sales Price			287,381 41

SUB-TOTAL - FWD

SALES PRICE

ENGR. EST.

CHIEF ENGINEER

MGR. OF ENGRG.